

By: Estes
(Darby)

S.B. No. 1514

A BILL TO BE ENTITLED

AN ACT

relating to the eligibility of land to continue to be appraised for ad valorem tax purposes as qualified open-space land if the land begins to be used for oil and gas operations.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Subchapter D, Chapter 23, Tax Code, is amended by adding Section 23.524 to read as follows:

Sec. 23.524. OIL AND GAS OPERATIONS ON LAND. The eligibility of land for appraisal under this subchapter does not end because a lessee under an oil and gas lease begins conducting oil and gas operations over which the Railroad Commission of Texas has jurisdiction on the land if the portion of the land on which oil and gas operations are not being conducted otherwise continues to qualify for appraisal under this subchapter.

SECTION 2. The change in law made by this Act does not affect an additional tax imposed as a result of a change of use of land appraised under Subchapter D, Chapter 23, Tax Code, that occurred before the effective date of this Act.

SECTION 3. This Act takes effect on the date on which the constitutional amendment proposed by the 85th Legislature, Regular Session, 2017, authorizing the legislature to provide that the eligibility of open-space land for ad valorem taxation on the basis of its productive capacity does not end because an oil and gas lessee begins conducting oil and gas operations on the land if the

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1 land otherwise continues to be devoted to farm, ranch, or wildlife
2 management purposes or timber production is approved by the voters.
3 If that amendment is not approved by the voters, this Act has no
4 effect.